

Monday 14 January 2019 – Morning

Level 3 Cambridge Technical in Business

05834/05835/05836/05837/05878

Unit 3: Business decisions

Duration: 1 hour 30 minutes

Plus your additional time allowance.

You must have:

**a clean copy of the
pre-release (Insert C424)**

**You may use:
a calculator**

Modified Enlarged 18 pt

First Name

Last Name

**Centre
Number**

**Candidate
Number**

**Date of
Birth**

D

D

M

M

Y

Y

Y

Y

INSTRUCTIONS

Use black ink.

Complete the boxes on the front page with your name, centre number, candidate number and date of birth.

Answer ALL the questions.

Write your answer to each question in the space provided.

If additional answer space is required, you should use the lined page(s) at the end of this booklet. The question number(s) must be clearly shown.

INFORMATION

The total mark for this paper is 60.

The marks for each question are shown in brackets [].

Answer ALL the questions.

- 1 (a) Carl is concerned that ‘Chalk Coast Fishing Museum (CCFM)’ is not keeping pace with current trends and developments in the leisure market.**

Identify TWO possible changes in the leisure market that could reduce the number of visitors to the museum.

1 _____

2 _____

_____ **[2]**

- (b) Explain how Carl’s own attitude to risk could influence his decision about the future of ‘CCFM’.**

_____ **[2]**

(c) Carl has found the following report in his local library:

“Terminal decline – why museums need funding support now!”

A report by the National Society of Independent Museums, 2007.

Carl is considering using this report to help him choose between options 1, 2 and 3.

Explain TWO reasons why the validity of this information might be limited.

1

2

[4]

- 2 Carl has identified the following financial information about 'CCFM':**

Fixed costs: £16 000 per year

Variable costs: £0.50 per visitor

Admission price: £4.00 per visitor.

- (a) Calculate the unit contribution. [2]**

Show your workings

Unit contribution = £

(b) Carl has received a special-order request from a coach-tour operator that will be visiting the local area each week from June to September. The coach-tour operator wishes to pay a price of £1.50 per person for admission to 'CCFM'.

(i) Explain ONE reason why Carl might decide not to accept this special order.

[2]

(ii) Explain why it might make financial sense for Carl to accept this special order.

[2]

- 3 (a) If OPTION 1: Upgrade the museum is chosen, Carl would need to recruit two part-time staff.**

A typical business in England would have over 200 000 people living within twenty miles of its location. However, 'CCFM's' coastal location means that it only has 10 000 people living within twenty miles of the museum.

Explain ONE problem that 'CCFM' might face as a result of having so few people living in the local area.

[2]

- (b) If OPTION 1: Upgrade the museum is chosen, the staff will need to be trained to maintain the new interactive museum displays.**

Carl has identified the following training course.

Content:	The design and maintenance of interactive displays
Duration:	3 days
Venue:	London
Training Provider:	The National Association of Museums and Art Galleries.

- (i) Explain ONE disadvantage to ‘CCFM’ of sending its staff on this training course.**

[2]

- (ii) Explain ONE advantage to 'CCFM' of sending its staff on this training course.**

[2]

- 4 (a) Carl collected comments from recent visitors to 'CCFM'. Visitors were asked to state what they thought about the museum. Visitors were not asked for their name or other personal details. Carl collected comments from fifty visitors (see APPENDIX 1 for some examples).**

- (i) Explain ONE disadvantage of using text-based information to help make a business decision.**

[2]

- (ii) Explain ONE advantage of using text-based information to help make a business decision.

[2]

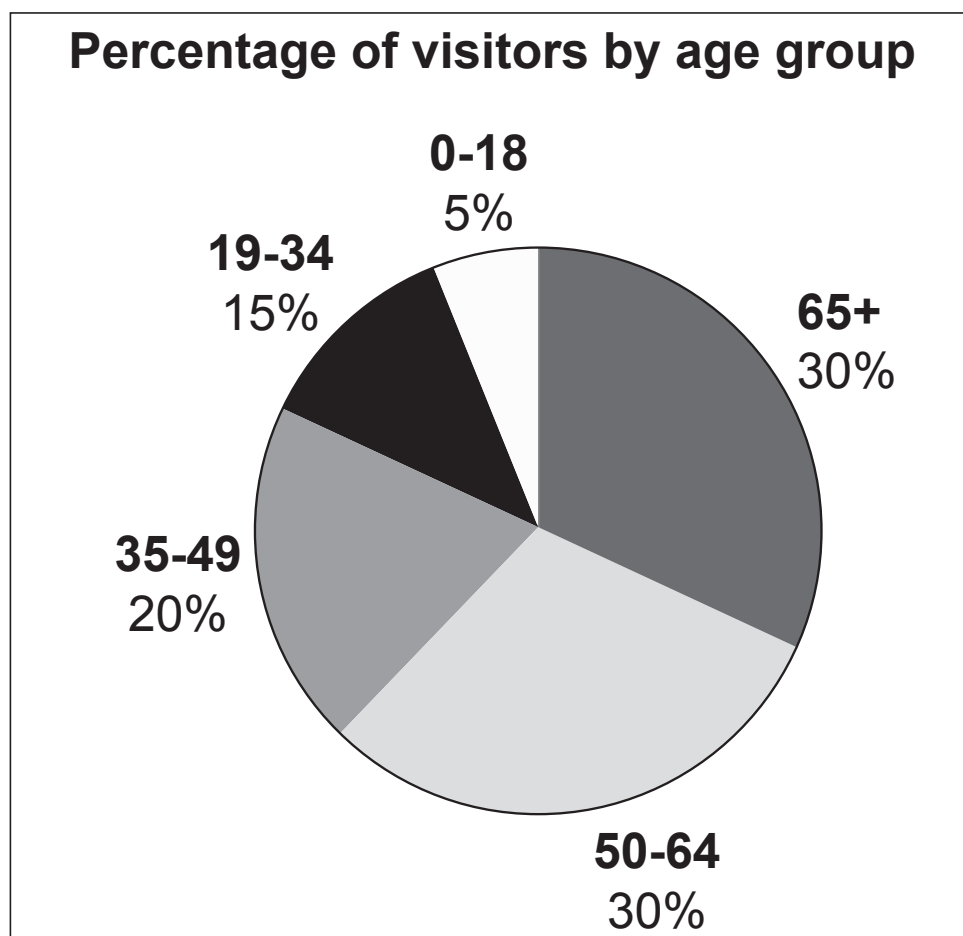
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- (b) Carl has conducted research into the current users of the museum.

Over a two-week period Carl asked every visitor their age. Carl asked 600 visitors. 540 gave their age.

Carl has summarised the results in a pie chart, see Fig. 1 below.

Fig. 1



- (i) How many visitors gave their age as 65 or older? [1]

Answer: _____

- (ii) State ONE reason why the pie chart in Fig. 1 may give misleading information.

_____ [1]

5 Carl has access to the following types of information:

historic (e.g. the number of visitors to coastal museums between 2006 and 2018)

forecasted (e.g. the predicted number of visitors to coastal museums between 2019 and 2024).

Evaluate the usefulness to ‘CCFM’ of using historic and forecasted information when choosing between options 1, 2 and 3. [12]

[illegible]

- 6 (a) The table below lists three causes of change at 'CCFM'.

Complete the table by stating whether the cause of each change is internal or external. [3]

Cause of change	Internal or external?
The museum will soon lose its grant from the local council	
The exhibits have not been updated in recent years	
Visitor numbers are declining	

- (b) Explain ONE reason why the volunteers at 'CCFM' might be resistant to change.

[3]

7 Recommend which one of the three options under consideration at 'CCFM' would best secure the long-term future of the museum. Justify your view. [16]

[illegible]

END OF QUESTION PAPER

ADDITIONAL ANSWER SPACE

If additional answer space is required, you should use the following lined page(s). The question number(s) must be clearly shown in the margin(s) – for example 1(a) or 2(b).

[illegible]



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